

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

PARK PLACE ENTERTAINMENT CORPORATION

(Registration)

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on December 9, 1998, and before the Nevada Gaming Commission ("Commission") on December 17, 1998, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;
IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE
RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:
 - a. The application of Park Place Entertainment Corporation for registration as a publicly traded corporation.
 - b. The application of Park Place Entertainment Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation in conjunction with credit agreements.
 - c. The applications of Parball Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of LVH

Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc. in conjunction with credit agreements.

2. THAT Park Place Entertainment Corporation is registered as a publicly traded corporation and is found suitable as the sole shareholder of Parball Corporation, subject to the provisions of Paragraph 17.

3. THAT Parball Corporation is registered as an intermediary company and is found suitable as the sole shareholder of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc.

4. THAT Parball Corporation, dba Flamingo Hilton Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3555 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

5. THAT Parball Corporation, dba Bally's Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3645 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission.

6. THAT FHR Corporation, dba Reno Hilton Resort, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 2500 East Second street, Reno, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

7. THAT FHR Corporation, dba Flamingo Hilton Reno, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 255 North Sierra Street, Reno, Nevada, subject to

such conditions or limitations as may be imposed by the Commission; provided that, the license issued to Flamingo Hilton-Reno, Inc. to conduct gaming at the Flamingo Hilton Reno is expressly conditioned upon the existence and maintenance of a pedestrian walkway linking the Flamingo Hilton Reno at 241 North Virginia Street and 255 North Sierra Street, and further, that said pedestrian walkway be open and accessible to the public during all times that gaming is conducted upon the premises of the Flamingo Hilton Reno.

8. THAT LVH Corporation, dba Las Vegas Hilton, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3000 Paradise Road, Las Vegas, Nevada, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

9. THAT Flamingo Hilton-Laughlin, Inc., dba Flamingo Hilton-Laughlin, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 1900 Casino Drive, Laughlin, Nevada, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

10. THAT in conjunction with the draft of the 364-day Senior Unsecured Revolving Credit Facility dated as of December 1998 and the Five-Year Senior Unsecured Revolving Credit Facility dated as of December 1998 (collectively, the "Credit Agreements"), Park Place Entertainment Corporation is approved, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation.

11. THAT in conjunction with the Credit Agreements, Parball Corporation is approved, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of,

and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc.

12. THAT Park Place Entertainment Corporation shall establish and maintain a compliance committee, for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by Park Place Entertainment Corporation, its subsidiaries and any affiliated entities, with the Nevada Gaming control Act (the "Act"), as amended, the Commission's Regulations, as amended (the "Regulations"), and the laws and regulations of any other jurisdictions in which Park Place Entertainment Corporation, its subsidiaries and any affiliated entities operate. The compliance committee plan, any amendments thereto, and the members, one such member which shall be independent, shall be administratively reviewed and approved by the Chairman of the Board, or his designee. Park Place Entertainment Corporation shall amend the compliance committee plan, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board, or his designee related to a review of activities relevant to the continuing qualification of Park Place Entertainment Corporation under the provisions of the Act and Regulations.

13. THAT Park Place Entertainment Corporation shall fund and maintain with the Board a revolving fund in the amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of all activities, including public offerings, of Park Place Entertainment Corporation, its subsidiaries and any affiliated entities.

14. THAT pursuant to NRS 463.625, Park Place Entertainment Corporation is hereby exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

15. THAT Park Place Entertainment Corporation is hereby exempted from compliance with NGC Regulation 15 and shall instead comply with NGC Regulation 16.

16. THAT the Commission hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

17. THAT this Order of Registration shall not become effective, unless and until, the Chairman of the Board, or his designee, has been notified that the spin-off (the "Spin-Off") of all of the outstanding shares of common stock of Park Place Entertainment Corporation to the holders of Hilton Hotels Corporation common stock has been completed and become effective. If the Spin-Off is not completed and effective by February 1, 1999, unless administratively extended by the Chairman of the Board, or his designee, this Order of Registration shall be rendered null and void.

ENTERED at Carson City, Nevada, this 17th day of December 1998.